

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Ohio)	
Power Company for Authority to Establish)	
a Standard Service Offer Pursuant to)	Case No. 16-1852-EL-SSO
R.C. 4928.143, in the Form of an Electric)	
Security Plan.)	

In the Matter of the Application of Ohio)	
Power Company for Approval of Certain)	Case No. 16-1853-EL-AAM
Accounting Authority.)	

**DIRECT TESTIMONY OF KEVIN M. MURRAY
ON BEHALF OF INDUSTRIAL ENERGY USERS-OHIO**

Frank P. Darr (Reg. No. 0025469)
(Counsel of Record)
Matthew R. Pritchard (Reg. No. 0088070)
MCNEES WALLACE & NURICK LLC
21 East State Street, 17TH Floor
Columbus, OH 43215
Telephone: (614) 469-8000
Telecopier: (614) 469-4653
fdarr@mwncmh.com
mpritchard@mwncmh.com

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Attorneys for Industrial Energy Users-Ohio

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CERTIFICATE OF SERVICE

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**DIRECT TESTIMONY OF KEVIN M. MURRAY
ON BEHALF OF INDUSTRIAL ENERGY USERS-OHIO**

1 I. INTRODUCTION

2 Q1. Please state your name and business address.

3 A1. My name is Kevin M. Murray. My business address is 21 East State Street, 17th
4 Floor, Columbus, Ohio 43215-4228.

5 Q2. By whom are you employed and in what position?

6 A2. I am employed as a Technical Specialist by McNees Wallace & Nurick LLC
7 ("McNees") and serve as the Executive Director of the Industrial Energy Users-
8 Ohio ("IEU-Ohio"). I am providing testimony on behalf of IEU-Ohio.

9 Q3. Please describe your educational background.

10 A3. I graduated from the University of Cincinnati in 1982 with a Bachelor of Science
11 degree in Metallurgical Engineering.

1 **Q4. Please describe your professional experience.**

2 A4. I have been employed by McNees for 19 years where I focus on helping
3 IEU-Ohio members address issues that affect the price and availability of utility
4 services. I have also been actively involved, on behalf of commercial and
5 industrial customers, in the formation of regional transmission operators (“RTOs”)
6 and the organization of regional electricity markets from both the supply-side and
7 demand-side perspective. I serve as an end-use customer sector representative
8 on the Midcontinent Independent System Operator, Inc. (“MISO”) Advisory
9 Committee and I have been actively involved in MISO working groups that focus
10 on various issues since 1999. Prior to joining McNees, I was employed by the
11 law firm of Kegler, Brown, Hill & Ritter (“KBH&R”) in a similar capacity. Prior to
12 joining KBH&R, I spent 12 years with The Timken Company, a specialty steel
13 and roller bearing manufacturer. While at The Timken Company, I worked within
14 a group that focused on meeting the electricity and natural gas requirements for
15 facilities in the United States. I also spent several years in supervisory positions
16 within The Timken Company’s steelmaking operations (now TimkenSteel).

17 **Q5. Have you previously testified before the Public Utilities Commission of**
18 **Ohio (“Commission”)?**

19 A5. Yes. The proceedings before the Commission in which I have submitted expert
20 testimony are identified in Exhibit KMM-1.

21 **Q6. What is the purpose of your testimony?**

1 A6. The purpose of my testimony is to recommend that the Commission require Ohio
2 Power Company (operating as “AEP Ohio”) to modify the proposed interruptible
3 service rider (“Rider IRP”). As I discuss in my testimony, the proposed Rider IRP
4 fails to comply with a previous order of the Commission.

5 **II. HISTORY OF THIS PROCEEDING**

6 **Q7. Why did AEP Ohio submit proposed revisions to Rider IRP in this**
7 **proceeding?**

8 A7. There are two interrelated proceedings that led to AEP Ohio’s application in this
9 proceeding. The first was AEP Ohio’s application for approval of an electric
10 security plan (“ESP”) in Case No. 13-2385-EL-SSO. In that proceeding, the
11 Commission approved the current ESP. The Commission’s opinion and order
12 included authorizing the approval of a placeholder power purchase agreement
13 (“PPA”) rider. The second was Case No. 14-1693-EL-RDR in which AEP Ohio
14 sought to populate the PPA rider.

15 **Q8. Did the Commission address Rider IRP in Case No. 13-2385-EL-SSO?**

16 A8. Yes. In its application, AEP Ohio requested authority to eliminate Schedule IRP-
17 D. On February 25, 2015, the Commission issued an order approving and
18 modifying AEP Ohio’s ESP. Among other changes, the Commission denied AEP
19 Ohio’s request to eliminate Schedule IRP-D. The Commission directed AEP
20 Ohio to continue Rider IRP and expand its availability to both shopping and non-
21 shopping customers. The Commission’s order also directed AEP Ohio to bid the

1 interruptible load served under Rider IRP into the periodic capacity auctions
2 conducted by PJM. In its May 28, 2015 Second Entry on Rehearing, in Case No.
3 13-2385-EL-SSO, the Commission reversed its decision to expand the
4 availability of Rider IRP to shopping customers. The Commission also granted
5 AEP Ohio's request to limit the total availability of service under Rider IRP to 525
6 megawatts (MW"). In the Second Entry on Rehearing, the Commission also
7 clarified the requirement for AEP Ohio to offer the capacity associated with
8 interruptible loads served under Rider IRP into periodic capacity auctions
9 conducted by PJM Interconnection ("PJM"):

10 In the ESP 3 Order, the Commission directed AEP Ohio to bid the
11 additional capacity resources associated with the IRP-D into PJM's
12 base residual auctions held during the ESP term, with any resulting
13 revenues credited back to customers through the EE/PDR rider.
14 ESP 3 Order at 40. However, as AEP Ohio and certain interveners
15 note, the Commission's directive raises a timing issue, given that
16 PJM's base residual auctions have already occurred for the three
17 delivery years of the ESP 3 term and, therefore, no revenues from
18 the sale of the IRP-D capacity resources will be realized during the
19 term. As a means to ensure that customers receive the intended
20 benefit during the ESP period, the Commission agrees with
21 OMAEG that AEP Ohio should bid the IRP-D related capacity
22 resources into PJM's incremental capacity auctions held during the
23 ESP term, to the extent that such capacity resources have not
24 already been bid by the customer into any of PJM's auctions for the
25 three delivery years of the ESP 3 term. The resulting revenues
26 should be credited back to customers through the EE/PDR rider.
27 However, in order to ensure no disruption to customers that may
28 have already bid their interruptible resources into PJM's auctions
29 for the delivery years of the ESP 3 term, whether directly or through
30 a curtailment service provider, existing IRP-D customers may retain
31 the resulting benefits without any reduction in their IRP-D credit for
32 imputed revenue. Although the Commission expresses no opinion
33 on whether the IRP-D will be extended beyond ESP 3, in the event
34 that it is, in fact, extended, for PJM delivery years after May 31,
35 2018, current IRP-D customers should be required to agree, as a
36 condition of service under the IRP-D tariff, to allow AEP Ohio to bid
37 their interruptible resources into PJM's auctions, with resulting

1 revenues credited back to customers through the EE/PDR rider.
2 With this clarification, we find it unnecessary to adopt AEP Ohio's
3 proposed imputed revenue offset provision. Accordingly, we find
4 that AEP Ohio's request for rehearing on this issue should be
5 granted, in part, and denied, in part.¹

6 In a November 3, 2016 Fourth Entry on Rehearing, the Commission denied AEP
7 Ohio's request for rehearing of the terms and conditions associated with Rider
8 IRP and directed AEP Ohio to file compliance Rider IRP tariffs. AEP Ohio
9 submitted its proposed compliance Rider IRP tariffs on November 10, 2016. I
10 have attached a copy of AEP Ohio's compliance filing as Exhibit KMM-2. At the
11 time I prepared my direct written testimony, the compliance Rider IRP tariffs
12 remain pending at the Commission.

13 **Q9. Was Rider IRP addressed in Case No. 14-1693-EL-RDR?**

14 A9. Yes. On October 3, 2014, AEP Ohio filed an application in Case No. 14-1693-
15 EL-RDR seeking approval to populate the PPA. In that proceeding, a Stipulation
16 and Recommendation ("Stipulation") to resolve issues in the case was submitted
17 to the Commission on December 14, 2015. A provision of that Stipulation
18 obligated AEP Ohio to file an application to amend its ESP approved in Case No.
19 13-2385-EL-SSO to extend the term of the ESP from three years to eight years.
20 The Stipulation also required AEP Ohio to seek to extend the term of its Rider
21 IRP through May 31, 2024 and modify the availability of service under Rider IRP
22 to extend the availability to both shopping and non-shopping customers through
23 a subsequent proceeding.

¹ Case No. 13-2385-EL-SSO, *et al.*, Second Entry on Rehearing (May 28, 2015) at 14-15.

1 On March 31, 2016, the Commission issued an opinion and order approving the
2 Stipulation with modifications. The modifications ordered by the Commission did
3 not affect the Rider IRP commitments I discussed in the previous paragraph.

4 On May 13, 2016, AEP Ohio filed an application and supporting testimony to
5 amend its ESP in Case No. 13-2385-EL-SSO to, among other things, extend the
6 term through May 31, 2024.

7 On September 7, 2016, the presiding Attorney Examiner issued an Entry
8 directing AEP Ohio to refile its May 13, 2016 application to amend its ESP and
9 supporting testimony by September 21, 2016 in Case Nos. 16-1852-EL-SSO, *et*
10 *al.* AEP Ohio subsequently requested and received two extensions of time to
11 refile its application and submitted its application to modify its ESP on
12 November 23, 2016.

13 **III. COMPLIANCE RIDER IRP**

14 **Q10. Have you reviewed the compliance Rider IRP Tariffs that AEP Ohio**
15 **submitted on November 10, 2016 in Case No. 13-2385-EL-SSO and its**
16 **proposed terms and conditions?**

17 A10. Yes. The compliance tariff fails to comply with the Commission's order.

18 **Q11. How does the compliance Rider IRP Tariff fail to comply with the**
19 **Commission's order?**

1 A11. The Commission's order requires customers that receive service under Rider IRP
2 to prospectively remit revenue they receive from participation in PJM demand
3 response programs back to AEP Ohio to be used as an offset against the costs
4 of the credits provided under Rider IRP. However, the Commission expressly
5 provided that this obligation was prospective and any existing contractual
6 commitments directly or through a curtailment service provider to participate in
7 PJM's demand response programs would be allowed to run their course with the
8 customer retaining all demand response revenue.

9 Directly contrary to the Commission's order, AEP Ohio's proposed compliance
10 Rider IRP tariff imposed a retroactive requirement for the customer to forfeit any
11 revenue received after May 31, 2015. Specifically, the proposed compliance
12 Rider IRP states (under the requirements for Enrollment, Registration and
13 Participation in PJM Demand Response Programs):

14 ...To the extent that the customer's capability had already been
15 offered prior to January 1, 2017 into a PJM reliability pricing model
16 auction by any entity other than the Company, the customer must
17 agree to remit to the Company any such related compensation from
18 PJM for periods after May 31, 2015.²

19 **Q12. Has the Commission Staff provided any recommendations regarding the**
20 **compliance Rider IRP?**

21 A12. Yes. On January 4, 2017, the Commission Staff submitted a report and
22 recommendation in Case No. 13-2385-EL-SSO concluding the quoted language
23 above fails to comply with the Commission's Second Entry on Rehearing in Case

² Case No. 13-2385-EL-SSO, *et al.* (Nov. 10, 2016) Ohio Power Company, P.U.C.O. No. 20, Original Sheet No. 427-1.

No. 13-2385-EL-SSO. The Commission Staff recommended the Commission direct AEP Ohio to refile tariffs that comply with the Commission's order.

Q13. Has AEP responded to the Commission Staff's recommendation?

A13. Yes. On April 24, 2017, AEP Ohio submitted a letter in Case No. 13-2385-EL-SSO identifying its disagreement with the Commission Staff's recommendation and requesting the Commission approve its November 10, 2016 compliance filing. However, the letter proposed alternative tariff language for the section of the IRP-D tariff sheet titled "Enrollment, Registration and Participation in PJM Demand Response Programs". AEP Ohio's alternative language reads as follows:

For PJM reliability pricing model auctions that are conducted prior to May 31, 2018, an eligible customer may bid its interruptible capability into such auctions or use a third-party curtailment service provider to do so. For PJM reliability pricing model auctions that are conducted after May 31, 2018, an eligible customer must allow the Company to register the customer with PJM as a capacity only, annual emergency or pre-emergency demand response resource with a 30-minute notification time and offer such capability into the PJM reliability pricing model auctions for the PJM planning/delivery year (June 1 through May 31).

Under PJM's current rules, participation in this rider does not preclude the customer from also participating in other PJM demand response programs, such as the economic and ancillary service programs, through a third party CSP.

IV. PROPOSED RIDER IRP

Q14. Is AEP Ohio's proposed Rider IRP submitted as part of the application in this proceeding reasonable?

1 A14. No. It is flawed in several respects and is not reasonable.

2 **Q15. What are the flaws in the proposed Rider IRP?**

3 A15. There are two primary flaws in the proposed Rider IRP. First, the redlined
4 version of Rider IRP that is shown as pages 26-28 of Exhibit DRG-8 to the direct
5 testimony of AEP Ohio witness David R. Gill was redlined to show changes to
6 AEP Ohio's proposed compliance Rider IRP that remains pending in Case No.
7 13-2385-EL-SSO and has not been approved by the Commission. Presenting
8 the proposed Rider IRP in this fashion is at best confusing and more likely, in my
9 judgment, intended to create confusion in this proceeding.

10 Second, Rider IRP (in both the Standard Service Offer and Open Access
11 Distribution Service portions of AEP Ohio's proposed tariffs) contains language
12 that fails to comply with the Commission's Second Entry on Rehearing in Case
13 No. 13-2385-EL-SSO. Specifically, both portions of the proposed tariff state
14 (under the requirements for Enrollment, Registration and Participation in PJM
15 Demand Response Programs):

16 ...To the extent the customer's capability had already been offered
17 prior to January 1, 2017 into a PJM reliability pricing model auction
18 by any entity other than the Company, the customer must agree to
19 remit to the Company any such related compensation from PJM for
20 periods after May 31, 2015.³

21 **Q16. Are there additional reasons why the Commission should not approve AEP**
22 **Ohio's proposal to require customers to retroactively remit PJM demand**
23 **response revenue received after May 31, 2015?**

³ *Id.*

1 A16. Yes. The Commission's prior order creates expectations that AEP Ohio will be
2 required to credit PJM demand response related revenue only prospectively. To
3 change these requirements retroactively would be contrary to the policy of
4 regulatory certainty.

5 **Q17. Do you have any recommendations for the Commission on the proposed**
6 **Rider IRP?**

7 A17. The Commission should direct AEP Ohio to remove the noncomplying language
8 cited above from its proposed tariff and resubmit a revised Rider IRP that
9 complies with the Commission's prior order and AEP Ohio's obligation pursuant
10 to the Stipulation approved by the Commission in Case No. 14-1693-EL-RDR.

11 **IV. CONCLUSION**

12 **Q18. Does this conclude your direct testimony?**

13 A18. Yes.

CERTIFICATE OF SERVICE

In accordance with Rule 4901-1-05, Ohio Administrative Code, the PUCO's e-filing system will electronically serve notice of the filing of this document upon the following parties. In addition, I hereby certify that a service copy of the foregoing *Direct Testimony of Kevin M. Murray on Behalf of Industrial Energy Users-Ohio*, was sent by, or on behalf of, the undersigned counsel for IEU-Ohio to the following parties of record this 2nd day of May 2017, via electronic transmission.

/s/ Frank P. Darr

Frank P. Darr

Steven T. Nourse (0046705)
Matthew J. Satterwhite (0071972)
Matthew S. McKenzie (PHV-5903-2016)
AMERICAN ELECTRIC POWER CORPORATION
1 Riverside Plaza, 29th Floor
Columbus, Ohio 43215-2373
stnourse@aep.com
mjsatterwhite@aep.com
msmckenzie@aep.com

ON BEHALF OF OHIO POWER COMPANY

William L. Wright (0018010)
Assistant Attorney's General
30 E. Broad Street, 16th Floor
Columbus, Ohio 43215-3793
William.wright@ohioattorneygeneral.gov

**ON BEHALF OF THE STAFF OF THE PUBLIC
UTILITIES COMMISSION OF OHIO**

Madeline Fleisher
ENVIRONMENTAL LAW & POLICY CENTER
21 West Broad Street, Suite 500
Columbus, Ohio 43215
mfleisher@elpc.org

**ON BEHALF OF THE ENVIRONMENTAL LAW &
POLICY CENTER**

BRUCE WESTON (0016973)
OHIO CONSUMERS' COUNSEL

William J. Michael (0070921)
Counsel of Record
Kevin F. Moore (0089228)
Assistant Consumers' Counsel
OFFICE OF THE OHIO CONSUMERS' COUNSEL
10 West Broad Street, Suite 1800
Columbus, Ohio 43215-3485
william.michael@occ.ohio.gov
kevin.moore@occ.ohio.gov

**ON BEHALF OF THE OFFICE OF THE OHIO
CONSUMERS' COUNSEL**

Kimberly W. Bojko (0069402)
James Perko (0093312)
CARPENTER LIPPS & LELAND LLP
280 North High Street, Suite 1300
Columbus, Ohio 43215
bojko@carpenterlipps.com
perko@carpenterlipps.com

**ON BEHALF OF THE OHIO MANUFACTURERS'
ASSOCIATION ENERGY GROUP**

Colleen L. Mooney
OHIO PARTNERS FOR AFFORDABLE ENERGY
P.O. Box 12451
Columbus, Ohio 43212-2451
cmooney@ohiopartners.org

ON BEHALF OF OHIO PARTNERS FOR AFFORDABLE ENERGY

Angela Paul Whitfield (0068774)
CARPENTER LIPPS & LELAND LLP
280 North High Street, Suite 1300
Columbus, Ohio 43215
paul@carpenterlipps.com

ON BEHALF OF THE KROGER CO.

Kurt P. Helfrich (0068017)
Stephanie M. Chmiel (0087555)
Michael D. Austin (0083662)
THOMPSON HINE LLP
41 S. High Street, Suite 1700
Columbus, Ohio 43215
Kurt.Helfrich@ThompsonHine.com
Stephanie.Chmiel@ThompsonHine.com
Michael.Austin@ThompsonHine.com

ON BEHALF OF BUCKEYE POWER, INC.

Trent Dougherty (0079817)
Counsel of Record
Miranda Leppla (0086351)
1145 Chesapeake Avenue, Suite I
Columbus, Ohio 43212-3449
tdougherty@theOEC.org
mleppa@theOEC.org

ON BEHALF OF THE OHIO ENVIRONMENTAL COUNCIL AND ENVIRONMENTAL DEFENSE FUND

Michael L. Kurtz
Kurt J. Boehm
Jody Kyler Cohn
BOEHM, KURTZ & LOWRY
36 East Seventh Street, Suite 1510
Cincinnati, Ohio 45202
mkurtz@BKLawfirm.com
kboehm@BKLawfirm.com
jkylercohn@BKLawfirm.com

ON BEHALF OF THE OHIO ENERGY GROUP

Lisa M. Hawrot (0080098)
SPILMAN THOMAS & BATTLE, PLLC
Century Centre Building
1233 Main Street, Suite 4000
Wheeling, WV 26003
lhawrot@spilmanlaw.com

Derrick Price Williamson
SPILMAN THOMAS & BATTLE, PLLC
1100 Bent Creek Blvd., Suite 101
Mechanicsburg, PA 17050
dwilliamson@spilmanlaw.com

Carrie M. Harris
SPILMAN THOMAS & BATTLE, PLLC
310 First Street, Suite 1100
P.O. Box 90
Roanoke, VA 24002-0090
charris@spilmanlaw.com

Steve W. Chriss
Director, Energy and Strategy Analysis
WAL-MART STORES, INC.
2001 SE 10th Street
Bentonville, AR 72716-0550
Stephen.Chriss@walmart.com

Greg Tillman
Senior Manager, Energy Regulatory Analysis
WAL-MART STORES, INC.
2001 SE 10th Street
Bentonville, AR 72716-0550
Greg.Tillman@walmart.com

ON BEHALF OF WAL-MART STORES EAST, LP AND SAM'S EAST, INC.

Richard L. Sites
Regulatory Counsel
OHIO HOSPITAL ASSOCIATION
155 East Broad Street, 3rd Floor
Columbus, Ohio 43215
rick.sites@ohiohospitals.org

Matthew W. Warnock
Devin D. Parram
BRICKER & ECKLER LLP
100 South Third Street
Columbus, Ohio 43215-4291
mwarnock@bricker.com
dparram@bricker.com

ON BEHALF OF THE OHIO HOSPITAL ASSOCIATION

Dylan F. Borchers
BRICKER & ECKLER LLP
100 South Third Street
Columbus, Ohio 43215-4291
dborchers@bricker.com

ON BEHALF OF PAULDING WIND FARM II LLC

Michael J. Settineri
(Counsel of Record)
Gretchen L. Petrucci
Ilya Batikov
VORYS, SATER, SEYMOUR AND PEASE LLP
52 E. Gay Street
Columbus, Ohio 43215-1008
mjsettineri@vorys.com
glpetrucci@vorys.com
ibatikov@vorys.com

**ON BEHALF OF THE PJM POWER PROVIDERS
GROUP AND THE ELECTRIC POWER SUPPLY
ASSOCIATION**

Robert Dove (0092019)
P.O. Box 13442
Columbus, OH 43213
rdove@attorneydove.com

**ON BEHALF OF THE NATURAL RESOURCES
DEFENSE COUNCIL**

Michael D. Dortch
Richard R. Parsons
Justin M. Dortch
KRAVITZ, BROWN & DORTCH, LLC
65 East State Street, Suite 200
Columbus, Ohio 43215
mdortch@kravitzllc.com

ON BEHALF OF CALPINE ENERGY SOLUTIONS, LLC

Joseph Olikier (0086088)
Counsel of Record
IGS ENERGY
6100 Emerald Parkway
Dublin, Ohio 43016
joliker@igsenergy.com

ON BEHALF OF IGS ENERGY

Mark A. Whitt (0067996)
Andrew J. Campbell (0081485)
Rebekah J. Glover (0088798)
WHITT STURTEVANT LLP
The KeyBank Building, Suite 1590
88 East Broad Street
Columbus, Ohio 43215
whitt@whitt-sturtevant.com
campbell@whitt-sturtevant.com
glover@whitt-sturtevant.com

**ON BEHALF OF COMMERCE ENERGY, INC. D/B/A
JUST ENERGY AND RETAIL ENERGY SUPPLY
ASSOCIATION**

Michael J. Settineri
(Counsel of Record)
Gretchen L. Petrucci
Ilya Batikov
VORYS, SATER, SEYMOUR AND PEASE LLP
52 E. Gay Street
Columbus, Ohio 43215-1008
mjsettineri@vorys.com
glpetrucci@vorys.com
ibatikov@vorys.com

Michelle Grant
Senior Corporate Counsel
DYNEGY INC.
601 Travis Street
Suite 1400
Houston, TX 77002
michelle.d.grant@dynegy.com

ON BEHALF OF DYNEGY INC.

Richard C. Sahli (0007360)
RICHARD SAHLI LAW OFFICE, LLC
981 Pinewood Lane
Columbus, Ohio 43230
rsahli@columbus.rr.com

Tony G. Mendoza (PHV-5610-2017)
Staff Attorney
SIERRA CLUB ENVIRONMENTAL LAW PROGRAM
2101 Webster St., 13th Floor
Oakland, CA 94612
tony.mendoza@sierraclub.org

ON BEHALF OF SIERRA CLUB

Amy B. Spiller (0047277)
Deputy General Counsel
Elizabeth H. Watts (0031092)
Associate General Counsel
139 East Fourth Street
1303-Main
Cincinnati, Ohio 45202
amy.spiller@duke-energy.com
elizabeth.watts@duke-energy.com

ON BEHALF OF DUKE ENERGY OHIO, INC.

Michael J. Settineri (0073369)
Gretchen > Petrucci (0046608)
VORYS, SATER, SEYMOUR AND PEASE LLP
52 East Gay Street
Columbus, Ohio 43215
mjsettineri@vorys.com
glpetrucci@vorys.com

ON BEHALF OF CONSTELLATION NEWENERGY, INC.

Dylan F. Borchers
Elyse H. Akhbari
BRICKER & ECKLER LLP
100 South Third Street
Columbus, Ohio 43215-4291
dborchers@bricker.com
eakhbari@bricker.com

**ON BEHALF OF ELECTRIC VEHICLE CHARGING
ASSOCIATION**

Joel E. Sechler (0076320)
CARPENTER LIPPS & LELAND
280 N. High Street, Suite 1300
Columbus, Ohio 43215
sechler@carpenterlipps.com

Gregory J. Poulos (0070532)
ENERNOC, INC.
P.O. Box 29492
Columbus, Ohio 43229
gpoulos@enernoc.com

ON BEHALF OF ENERNOC, INC.

Christine M.T. Pirik (0029759)
Terrence O'Donnell (0074213)
William V. Vorys (0093479)
DICKINSON WRIGHT PLLC
150 East Gay Street, Suite 2400
Columbus, Ohio 43215

**ON BEHALF OF MID-ATLANTIC RENEWABLE
ENERGY COALITION**

Sarah Parrot (0082197)
Greta See
Attorney Examiner
Public Utilities Commission of Ohio
180 East Broad Street, 12th Floor
Columbus, OH 43215
sarah.parrot@puc.state.oh.us
Greta.See@puc.state.oh.us

ATTORNEY EXAMINER

Exhibit KMM-1

Exhibit KMM-1

In the Matter of the Application of The Dayton Power and Light Company for Approval of its Electric Security Plan, et al., PUCO Case Nos. 16-0395-EL-SSO, et al.

In the Matter of the Application of Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to §4928.143, Revised Code, in the Form of an Electric Security Plan, et al., PUCO Case Nos. 13-2385-EL-SSO, et al.

In the Matter of the Application of The Dayton Power and Light Company for Approval of Its Market Rate Offer, et al., PUCO Case Nos. 12-426-EL-SSO, et al.

In the Matter of the Commission Review of the Capacity Charges of Ohio Power Company and Columbus Southern Power Company, PUCO Case No. 10-2929-EL-UNC.

In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to §4928.143, Ohio Rev. Code, in the Form of an Electric Security Plan, PUCO Case Nos. 11-346-EL-SSO and 11-348-EL-SSO, et al.

In the Matter of the Application of Columbus Southern Power Company for Approval of its Electric Security Plan; an Amendment to its Corporate Separation Plan, and the Sale or Transfer of Certain Generating Assets, Case No. 08-917-EL-SSO and In the Matter of the Application of Ohio Power Company for Approval of its Electric Security Plan; and an Amendment to its Corporate Separation Plan, PUCO Case No. 08-918-EL-SSO (remand phase).

In the Matter of the Application of Columbus Southern Power Company for Approval of its Program Portfolio Plan and Request for Expedited Consideration, PUCO Case No. 09-1089-EL-POR.

In the Matter of the Application of Ohio Power Company for Approval of its Program Portfolio Plan and Request for Expedited Consideration, PUCO Case No. 09-1090-EL-POR.

In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Approval of a Market Rate Offer to Conduct a Competitive Bidding Process for Standard Service Offer Electric Generation Supply, Accounting Modifications Associated with Reconciliation Mechanism, and Tariffs for Generation Service, PUCO Case No. 09-906-EL-SSO.

In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Authority to Establish a

Standard Service Offer Pursuant to R.C. 4928.143 in the Form of an Electric Security Plan, PUCO Case No. 08-935-EL-SSO.

In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Approval of a Market Rate Offer to Conduct a Competitive Bidding Process for Standard Service Offer Electric Generation Supply, Accounting Modifications Associated with Reconciliation Mechanism, and Tariffs for Generation Service, PUCO Case No. 08-936-EL-SSO.

In the Matter of the Application of Columbus Southern Power Company for Approval of its Electric Security Plan; an Amendment to its Corporate Separation Plan; and the Sale or Transfer of Certain Generating Assets, PUCO Case No. 08-917-EL-SSO.

In the Matter of the Application of Ohio Power Company for Approval of its Electric Security Plan; and an Amendment to its Corporate Separation Plan, PUCO Case No. 08-918-EL-SSO.

In the Matter of the Application of Duke Energy Ohio for Approval of an Electric Security Plan, PUCO Case No. 08-920-EL-SSO.

In the Matter of the Application of The Dayton Power and Light Company for Approval of Its Electric Security Plan, PUCO Case No. 08-1094-EL-SSO.

Exhibit KMM-2



Legal Department

November 10, 2016

The Honorable Sarah Parrot
The Honorable Greta See
Attorney Examiners
Public Utilities Commission of Ohio
180 East Broad Street
Columbus Ohio 43215-3793

Steven T. Nourse
Senior Counsel –
Regulatory Services
(614) 716-1608 (P)
(614) 716-2014 (F)
stnourse@aep.com

*Re: In the Matter of the Application of Ohio Power Company
for Authority to Establish a Standard Service Offer
Pursuant to R.C. 4928.143, in the Form of an Electric
Security Plan, Case No. 13-2385-EL-SSO; In the Matter
of the Application of Ohio Power Company for Approval
of Certain Accounting Authority, Case No. 13-2386-EL-
AAM; Ohio Power Company, Case No. 89-6007-EL-
TRF*

Dear Attorney Examiners:

Enclosed is Ohio Power Company's IRP compliance tariff, which is being filed in accordance with the Commission's Fourth Entry on Rehearing dated November 3, 2016 in the above-captioned case. Upon approval of the proposed tariff, the Company will update its tariffs previously filed electronically with the Commission's Docketing Division.

Thank you for your attention to this matter.

Regards,

//s/ Steven T. Nourse

cc: Parties of Record

P.U.C.O. NO. 20

RIDER IRP-D
(Interruptible Power ~~--Discretionary~~)Availability of Service

Service pursuant to this rider is available to customers that were receiving the interruptible credit as of May 31, 2015 and have provided reasonable evidence to the Company that their electric service can be interrupted within a 10-minute notice period. Customers shall contract for electrical capacity sufficient to meet normal maximum requirements but not less than 1,000 KW of interruptible capacity.

The total interruptible power contract capacity for all customers served under this rider, contracts and agreements offered by the Company will be limited to 75,000 KW in the Columbus Southern Power Rate Zone and 450,000 KW in the Ohio Power Rate Zone. ~~Loads of new customers locating within the Company's service area or load expansions by existing customers may be offered interruptible service as part of an economic development or competitive response incentive. Such interruptible service shall not be counted toward the limitation on total interruptible power contract capacity, as specified above, and will not result in a change to the limitation on total interruptible power contract capacity.~~

The Company will communicate interruption information to the customer, ~~monitors customer load and receives customer replacement electricity decisions~~ through its Customer Communications System or a successor system. All costs associated with providing the initial, required Customer Communications System will be borne by the customer.

Enrollment, Registration and Participation in PJM Demand Response Programs

To participate in this rider, the customer must allow the Company to register the customer with PJM as a capacity only, annual emergency or pre-emergency demand response resource with a 30-minute notification time and offer such capability into the PJM reliability pricing model auctions for the PJM planning/delivery year (June 1 through May 31). To the extent that the customer's capability had already been offered prior to January 1, 2017 into a PJM reliability pricing model auction by any entity other than the Company, the customer must agree to remit to the Company any such related compensation from PJM for periods after May 31, 2015.

Under PJM's current rules, participation in this rider does not preclude the customer from also participating in other PJM demand response programs, such as the economic and ancillary service programs, through a third party CSP.

Interruption Conditions

The Company reserves the right to interrupt, in its sole discretion, service under this rider at any time to comply with PJM requirements for capacity only, annual emergency or pre-emergency demand response resources. ~~Such interruptions shall be designated as Discretionary Interruptions and shall not exceed 200 hours of interruption during any year. For the purposes of this provision, a year shall be defined as a consecutive twelve (12) month period commencing on May 1 and ending on April 30. Discretionary Interruptions will be called simultaneously for all customers served under this rider.~~

~~In addition to the annual limitation as specified above, the hours of Discretionary Interruption shall be limited as follows:~~

Filed pursuant to Order dated August 8, 2012 in Case No. 11-346-EL-SSO

Issued: ~~August 16, 2012~~

Effective: ~~Cycle 1 September 2012~~

Issued by
~~Pablo Vegas~~ Julia Sloat, President
AEP Ohio

P.U.C.O. NO. 20

RIDER IRP-**D**
(Interruptible Power--**Discretionary**)

1. ~~A Discretionary Interruption, beginning and ending as specified in the Interruption Notice provision below, shall constitute one (1) event.~~
2. ~~A Discretionary Interruption event shall not be less than three (3) consecutive hours, unless there are less than three (3) hours of Discretionary Interruption remaining for the year.~~
3. ~~There shall not be more than 12 hours of Discretionary Interruption per day.~~
4. ~~During the calendar months of March through November, there shall not be more than one (1) Discretionary Interruption event per day.~~

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AEP Ohio

P.U.C.O. NO. 20

RIDER IRP-D
(Interruptible Power ~~--Discretionary~~)Interruption Conditions (Cont'd)

5. ~~During the calendar months of December, January and February, there shall not be more than two (2) Discretionary Interruption events per day. Any such Discretionary Interruption events shall be separated by not less than three (3) consecutive hours without Discretionary Interruption.~~

~~Emergency Interruptions pursuant to the AEP Emergency Operating Plan, for system integrity purposes or for emergency sales to other utilities, shall not count toward the total hours of interruption specified above or toward the five (5) limits specified above.~~

Interruption Notice

~~The Company will endeavor to provide the customer as much advance notice as possible of a Discretionary Interruption. Such notice shall specify the starting and ending hour of the Discretionary Interruption. Discretionary Interruptions shall begin and end on the clock hour. The Company shall provide notice to the customer a minimum of 100 minutes prior to the commencement of a Discretionary Interruption. After such notice, the customer will be required to interrupt service within 100 minutes if so requested by the Company. In emergency situations, the customer will be required to interrupt service immediately.~~

Failure to Comply With A Request For Interruption

1. ~~If the customer fails to interrupt load as requested by the Company for a Discretionary Interruption, the customer will be required to pay for the entire uninterrupted energy for the duration of the Discretionary Interruption at two (2) times the Replacement Electricity price offered by the Company. The uninterrupted energy will be calculated for each 30-minute period during the Discretionary Interruption as one-half of the difference between the 30-minute integrated demand and the sum of the customer's contract capacities under any schedule where service is not interrupted.~~

1. If the customer fails to interrupt load in accordance with this rider, as requested by the Company for an Emergency Interruption, the customer will be required to refund all rate discounts received under this rider during the preceding 12 months for the uninterrupted demand. The uninterrupted demand will be calculated as the difference between the maximum 30-minute integrated demand during each Emergency Interruption and the sum of the customer's contract capacities under any schedule where service is not interrupted. The rate discount will be the demand credit as specified in this rider. In addition, the monthly Demand Credit will be suspended until the customer's financial obligations to the Company are satisfied.

2. Any costs incurred by the Company due to customer non-performance or unavailability, including but not limited to charges from PJM or incremental costs of purchasing replacement capacity in an incremental auction will be the customer's responsibility.

3. ~~If the customer fails to interrupt load as requested by the Company during an Emergency Interruption, the Company further reserves the right to:~~

- a) ~~Interrupt the customer's entire load.~~

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RIDER IRP-~~D~~
(Interruptible Power-~~Discretionary~~)

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RIDER IRP-D
(Interruptible Power ~~--Discretionary~~)

~~Failure to Comply With A Request For Interruption (Cont'd)~~

- b) ~~Discontinue service to the customer under this rider if the customer fails to interrupt load twice during any 12-month period as requested by the Company. The Company may thereafter charge the customer, as specified in the Term of Contract provision of this rider, for any additional costs beyond the firm service rate incurred by the Company as a result of the customer transferring to firm service without providing proper notice.~~

Term of Contract

~~The customer shall contract for capacity sufficient to meet normal maximum power requirements under the applicable standard service rate schedule. In no event will the amount of interruptible capacity contracted for be less than 1,000 KW at any delivery point. The Company will not be required to supply capacity in excess of that contracted for except by mutual agreement. In the absence of such agreement, if the customer's demand exceeds the contract capacity, the Company may promptly notify the customer to reduce demand and may interrupt the service if such reduction is not accomplished.~~

~~Contracts under this rider shall be made for an initial period of not less than 2 years and shall remain in effect unless either party shall give at least 1 year's written notice to the other of the intention to discontinue service from the Company through any PJM delivery year (June 1 through May 31) in which the Company has bid the customer's interruptible resources.~~

~~A new initial contract period will not be required for existing customers who increase their contract capacity requirements after the original notice period unless new or additional facilities are required, in which case, the Company may, at its option, require a longer initial contract period.~~

~~While the customer will be required to provide at least 1 year's notice to discontinue service from the Company, the customer will be required to provide 5 year's notice prior to transferring to firm service. Concurrent with providing the Company with notice to transfer to firm service, the customer will also be required to enter into a firm service contract or agreement that will become effective at the end of the notice period.~~

~~The customer may transfer to firm service with less than 5 year's notice, upon mutual agreement between the customer and the Company, subject to the following conditions:~~

- ~~1. If the Company has sufficient capacity to provide the customer firm service and would incur no additional costs beyond the firm service rate until after the 5-year contract notice requirement is fulfilled, the customer will be billed under the applicable firm service schedule.~~
- ~~2. If the Company has insufficient capacity to provide the customer firm service prior to the expiration of the notice period, the customer will be billed under the applicable firm service schedule plus all additional costs incurred by the Company in obtaining power from alternative electricity suppliers in order to provide firm service to the customer.~~

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RIDER IRP-D
(Interruptible Power--~~Discretionary~~)

Firm Service Designation

The customer must designate a firm service contract capacity for such service.

Replacement Electricity

~~When a Discretionary Interruption is called pursuant to the Interruption Conditions provision contained herein, and if requested by the customer, the Company will use its best efforts to supply replacement electricity in order for the customer to avoid an interruption. The customer will be required to specify an hourly KW capacity, in multiples of 1,000 KW, of such replacement electricity 65 minutes in advance of the commencement of each hour of the Discretionary Interruption.~~

~~The purchase and delivery of such replacement electricity will be subject to the following terms and conditions of service:~~

- ~~1. The customer agrees to pay the price offered by the Company. Such price shall be provided by the Company 100 minutes in advance of the commencement of each hour of the Discretionary Interruption.~~
- ~~2. Best efforts shall mean actions of the Company that are reasonable, prudent and consistent with good utility practice. Best efforts do not include fiduciary or extraordinary actions.~~
- ~~3. Once replacement electricity is being supplied to the customer, if the customer is notified that replacement electricity is no longer available, the terms of this provision will cease to apply and the customer must comply with all other provisions of this rider regarding interruption.~~
- ~~4. If any replacement electricity source fails to deliver scheduled replacement electricity, the Company reserves the right to interrupt service to the customer. Further, the customer will indemnify and hold the Company harmless for any damages to persons or property occurring at the customer's premises resulting from the interruption of the customer when the replacement electricity source fails to deliver replacement electricity as scheduled.~~
- ~~5. The Company reserves the right to interrupt the sale of replacement electricity to the customer if, in the sole judgement of the Company, such electricity is required to maintain service to the Company's customers with a higher priority of service according to the AEP Emergency Operating Plan, for system integrity purposes or for emergency sales to other utilities. Any such interruption shall be remedied as quickly as reasonably possible and must be preceded by the exhaustion of other reasonable alternatives consistent with good utility practice to avoid the interruption.~~
- ~~6. All costs of any metering, communications and other equipment necessary for providing replacement electricity will be borne by the customer. Such costs will include the costs of any equipment required to verify the scheduled delivery of replacement electricity from a replacement electricity source to the Company.~~

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RIDER IRP-D
(Interruptible Power ~~--Discretionary~~)

- ~~7. The customer will be responsible for all costs resulting when the demand exceeds the replacement electricity capacity specified by the customer. The Company will compensate the customer for replacement electricity available for, but not used by the customer at a rate of 2.5¢ per KWH, except when the unused replacement electricity causes additional costs to the Company by creating operating instability on the Company's system. If the unused replacement electricity causes additional costs due to system instability, the Company shall notify the customer as soon as possible so the customer can take appropriate action to prevent incurring further costs.~~

Monthly Rate

In addition to the monthly charges for service under the applicable standard service rate schedule under which the customer receives service, the customer shall receive a Demand Credit for monthly interruptible demand as follows:

Generation Demand Credit (\$ per KW)

Delivery Voltage	OPCO	CSP
	Rate Zone	Rate Zone
Secondary	(8.21)	(8.21)
Primary	(8.21)	(8.21)
Subtransmission	(8.21)	(8.21)
Transmission	(8.21)	(8.21)

The Demand Credit shall apply to the customer's monthly interruptible demand. Monthly interruptible demand shall be the difference between the monthly billing demand determined in accordance with the standard service rate schedule under which the customer receives service and the customer designated firm service contract capacity. In no event shall the customer's monthly interruptible demand be greater than the customer's interruptible service contract capacity.

~~Since the customer and not the Company will be compensated by PJM for emergency energy, the customer shall agree to turn over to the Company any emergency energy payments.~~

~~The Demand Credit as specified above shall be reduced to collect any substandard performance charges incurred by the Company that are not paid by the customer at fault for the substandard performance.~~

Special Terms and Conditions

~~By participating in this rider, the customer is agreeing to commit its demand response capabilities hereunder to the Company for integration in the Company's energy efficiency and peak demand reduction programs. In delivery years when there are no emergency or pre-emergency events, the customer shall be subject to interruption tests performed in accordance with the PJM tariff as evidence of the customer's ability to interrupt. Failure to adequately perform during such a test shall be considered a failure to interrupt under this rider.~~

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AEP Ohio

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RIDER IRP-~~D~~
(Interruptible Power ~~--Discretionary~~)

This rider is subject to the Company's Terms and Conditions of Service and all provisions of the rate schedule under which the customer takes service.

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Issued by
~~Pablo Vegas~~ Julia Sloat, President
AEP Ohio

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in

Case No(s). 13-2385-EL-SSO, 13-2386-EL-AAM, 89-6007-EL-TRF

Summary: Tariff -IRP Compliance Tariff of Ohio Power Company electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

5/2/2017 2:38:07 PM

in

Case No(s). 16-1852-EL-SSO, 16-1853-EL-AAM

Summary: Testimony Direct Testimony of Kevin M. Murray on Behalf of Industrial Energy Users-Ohio electronically filed by Ms. Vicki L. Leach-Payne on behalf of Darr, Frank P. Mr.